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IN THE

Supreme Court of the United States

October Term, 1970

No. 617

THE CHEMITHON CORPORATION,

Petitioner,

vs.

THE PROCTER AND GAMBLE COMPANY and
THE PROCTER AND GAMBLE MANUFACTURING COMPANY,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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September 30, 1970

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Restatement of the Case

Chemithon's Petition for a Writ of Certiorari is largely dependent upon several fact premises which bear no relation to the record in the case.

For such reason, we set out a short restatement of the case below.*

The respondents, The Procter & Gamble Company and The Procter & Gamble Manufacturing Company (hereinafter collectively "P&G") were sued below by petitioner Chemithon in 1962 for infringement of two patents and

* In our record citations, "Op., A. " refers to the District Court Opinion printed as an appendix to the petition and "Apps. " refers to the page of the Joint Appendix before the Court of Appeals. "B. " refers to the Supplemental Appendix B to Procter & Gamble's Brief in the Court of Appeals.

alleged misappropriation of trade secrets relating to detergent manufacture by a process called sulfonation. The patents were issued to Chemithon in 1962 on applications filed in 1956 and 1959.

It was *stipulated* that P&G was the prior commercial user of all the subject matter at issue and the prior inventor of virtually all of that subject matter (Op., A12-A13). Indeed, P&G's accused continuous sulfonation process was put in commercial use in the late 1940's (App. 141-144). P&G's accused series sulfonation-sulfation process was put in commercial use in 1950 (App. 154) and its accused inverted-emulsion system in 1955 (Op., A49).

P&G had its Patent Department examine these commercial processes for patentability in 1937 and 1950. The prior art was investigated, and it was decided that none of the subject matter was patentable (DX 320; B 39; R.963 and R.1929).

Chemithon did not enter the field until 1954 (App. 358), and did not file a patent application until January, 1956 (Op., A14).

By January 1956, when Chemithon filed its very first patent application, which was later abandoned, the P&G processes later to be accused herein already had been commercially used in P&G factories scattered throughout the United States and foreign countries to make billions of pounds of detergent sold to millions of housewives under famous brand names such as TIDE, DUZ, etc. (Op., A32).

Most of the trial below was concerned with the factual question of whether P&G's commercial use of the accused

process on a national and international scale was public or secret.

Nineteen fact witnesses were heard. They included P&G employees and former P&G employees from vice-presidents to plant managers to plant operators (App. 164, 200, 261). They included a former student trainee who had become the vice president of a bank (App. 238). They included college professors (App. 211 and 232).

The exhibits introduced into evidence included plant guest records identifying vistors who toured the factories practicing the prior processes (B. 56), dedication ceremonies of laboratories practicing and demonstrating the prior processes (App. 623-7, 641-2), letters about the prior processes to visitors (App. 549-54), and to students in colleges and universities (DX 1362, 1366-7, 1472), and at meetings of non-operating P&G employees (App. 602-622).

The Trial Court held both patents in suit invalid under 35 USC 102 (b) because P&G's prior commercial uses were public. The Trial Court made findings of fact covering every aspect of the public character of P&G's prior use:

> "Here P & G has adequately demonstrated that not only did employees of the company, in general, have *access* to knowledge but that numerous employees had actual knowledge. This latter group included plant engineers, members of management, operators in the various plants, et cetera, as well as those employees who were responsible for maintaining production standards, recognizing and solving specific problems experienced at the several plants, and those responsible for developing new and better processes." (Op., A34-A35, orig. emph.)
>
> "Furthermore, none of these employees, even those intimately connected with the processes, not even those

employees who had developed the processes or process refinements for P & G, were obliged to keep these processes secret. Nor were they required to execute any agreements whereby they obligated themselves not to disclose to outsiders the information obtained during the course of their employment with P & G." (Op., A33).

"However, the evidence introduced by P & G on the character of its uses does not rest upon the bare essentials demanded by the law to establish 'public use.' The record is replete with evidence, truly massive in its scope and quantity, which this court feels it must comment on, for it clearly establishes that P & G permitted and encouraged exposure and access to these processes by many who were not full-time employees of the company or who were not directly or indirectly related to these activities within P & G. Any doubt as to P & G's policy regarding disclosures vis-a-vis these processes is expelled by the fact that it took *affirmative* steps to make known aspects of its activities relating to synthetic detergent-making to the public at large." (Op., A37).

"For example, as early as 1952, for its own self-interest, P & G indirectly recruited badly needed professional talent for its organization by inviting and demonstrating to members of the academic community, largely professors of engineering and chemical engineering, its proficiency in chemical engineering. At the dedication of its new laboratory facility, the Miami Valley Laboratory, in 1952, over 100 professors were invited and attended and were presented with various lectures, seminars, and tours through the laboratory and the commercial plant in Cincinnati. This example is representative of all other presentations in later years in that the processes for making synthetic detergents was always a focal point of the presentation and no limitation was placed on the visitors, either with respect to what might be shown or with respect to the use made of the information learned." (Op., A42-A43).

> "All the processes under discussion, those contained in the two patents in suit, were carried on in their usual way for the production of goods for commerce, known and capable of being known by employees of the company as well as countless outsiders, and there was no attempt to suppress or conceal them from anyone having a legitimate interest in them. This finding warrants a holding that P & G's uses, public in nature within the meaning of 35 U.S.C. 102(b), invalidates the patents on these processes, Chemithon's '258 and '920 patents." (Op., A44)

On appeal, the Court of Appeals for the Fourth Circuit held that the Trial Court "applied correct principles of law to findings of fact that are amply supported by the evidence". The judgment was affirmed in a per curiam decision "on the opinion of the District Court" (Op., A2).

A

Question 1 and Reasons 1 and 2 Are Not Raised by the Record.

1. Question 1 Not Raised

Contrary to the repeated statements in the petition, the Court of Appeals did not hold and the district court did not find that P & G "withheld from the public critical information necessary to enable practice of the invention". (Petition, page 2; see also pp. 5, 6, 7, 9 and the footnote on page 8).

Many of the petition record citations on this point are to District Court findings pertaining to various commercial trade secrets of P & G that were found to be irrelevant. Thus, the District Court found:

"* * * As will be pointed out more particularly below, P & G did indeed have information which it designedly protected against public disclosure, including this information [production capacities and rates] referred to by Mr. Mills. *But none of these 'secrets' pertain to the existence and the operation of these processes.*" (Op., A36; emphasis added)

* * *

"That P & G had a policy not to disclose formula card information is not disputed. But the ultimate product-formulation contained in the *formula card is not particularly relevant to the issue of the character of the use of the processes.*" (Op., A39; emphasis added)

* * *

"It is admitted that this type of information (future plans, production rates, processing limits, production costs and formula card production, etc.) was protected from public disclosure, but at the same time *it cannot be contended that any of this information which P & G kept 'secret' had any bearing on the character of its use of the processes* but instead related to other factors such as economic considerations". (Op., A44; emphasis added)

"All the processes under discussion, those contained in the two patents in suit, were carried on in their usual way for the production of goods for commerce, known and capable of being known by employees of the company as well as countless outsiders, and there was no attempt to suppress or conceal them from anyone having a legitimate interest in them. This finding warrants a holding that P & G's uses, public in nature within the meaning of 35 U.S.C. §102(b), invalidates the patents on these processes, Chemithon's '258 and '920 patents." (Op., A44).

The remaining record citations in the petition are to findings by the District Court having to do with whether critical limits of the alleged invention described in the principal patent claims in suit were disclosed in the original patent application filed by Chemithon in 1956. These findings have nothing to do with the public character of P&G's use of processes falling within the claims of the patents in suit. Nor do these statements of the court conflict with the fact that the optimum *commercial* limits, within which the processes operate most economically, are neither necessary nor "critical" for practice of the invention.

The petition's confusion is bottomed upon failure to set out the fact that prior public use of *any* set of operating conditions of the processes falling *within* the limits of the ranges specified in the patent claims is sufficient to constitute a public use of the patented process. It is elementary that the public use of a prior process or product which falls *within* the terms or limits of a patent claim is a complete anticipation of such claim, whether or not the use reaches the limits specified in the claim. The basic, underlying stipulation in this case (App. 49-50) states that P & G practiced prior commercial processes "falling within the terms" of the claims of the patent in suit.

Considering the many findings of the District Court on the subject of withholding information, and the emphatic expressions of the District Court that P & G's "secret" economic information did not pertain or otherwise relate to the character of P & G's use of the patented chemical

processes, the petition's argument that P & G's "secret" information related to "critical" information essential to practice the patented process, is completely unfounded and contrary to the fact findings by the courts below.

2. Reasons 1 and 2 Not Raised

The petition asserts (pages 6-8) that the decision of the Fourth Circuit below is in conflict with the 1871 decision of this Court in *Seymour v. Osborne*, 78 U.S. 516, 555 (1871), and with similar decisions of the Eighth Circuit, Second Circuit and the Court of Customs and Patent Appeals, regarding prior publications and uses that did *not* disclose the invention in suit to the public.

However, such cases are inapposite. Here, it was found by the Trial Court on massive evidence that the inventions in suit *were* disclosed and known to not only hundreds of P & G employees who were members of the public, but also to "countless outsiders", such as college professors.

The appropriate rule of law in such circumstances was enunciated by this Court in *Electric Storage Battery Co. v. Shimadzu*, 307 U.S. 5 (1939). The opinion of the District Court below shows that it correctly applied the rule of the *Electric Storage Battery Co.* case, which it quoted and paraphrased (Op., A30, A34 and A42):

> "A mere experimental use is not the public use defined by the Act, but a single use for profit, not purposely hidden, is such. The ordinary use of a machine or the practice of a process in a factory in the usual course of producing articles for commercial purposes is a public use.

> "There is no finding, and we think none would have been justified, to the effect that the machine, process, and product were not well known to the employees in the plant, or that efforts were made to conceal them from anyone who had a legitimate interest in understanding them. * * *" 307 U.S. 19-20.

The petition ignores the doctrine of the *Electric Storage Battery* case which recognizes that employees not under any obligation of secrecy or restrictions as to use of the information constitute members of the public. The petition also ignores fact findings of disclosure to employees bringing the case squarely within the ambit of the *Electric Storage Battery* case. The District Court found:

> "Here P & G has adequately demonstrated that not only did employees of the company, in general, have *access* to knowledge but that numerous employees had actual knowledge" (Op., A34-A35).
>
> * * *
>
> "Furthermore, none of these employees, even those intimately connected with the processes, not even those employees who had developed the processes or process refinements for P & G, were obliged to keep these processes secret. Nor were they required to execute any agreements whereby they obligated themselves not to disclose to outsiders the information obtained during the course of their employment with P & G" (Op., A33).

3. No Conflict With *Seymour* v. *Osborne*, *Application of Borst* or *Metallizing Eng. Co.* v. *Kenyon Bearing Co.*

As demonstrated above, the petition is based on the incorrect factual premise that P&G's prior use did not teach the public. Actually, as the Trial Court found,

P&G's accused processes were known to "hundreds of P&G employees" and "countless outsiders".

Here, in this section, we show that the petition is further incorrect in asserting a conflict between the decision below and the decisions of other courts even if it be assumed that P&G's public use did not teach the public.

The petition confuses what the requirements are for a prior printed publication with what are the requirements of a prior public *use* in order to constitute a statutory bar to the validity of a patent. This confusion Chemithon achieves by its assertion, "*a prior publication or use* must make available to the public sufficient information to enable one skilled in the art to practice the patented invention" (Pet. p. 8). The petition thus erroneously equates a prior publication to a prior use.

Seymour v. *Osborne*, 78 U.S. 516, 555 (1871) relied upon by Chemithon did not concern *a prior public use*. It did involve a prior *foreign publication* which purported to *teach* the alleged invention. This Court properly laid down the requirements for foreign publications which are to supersede inventions patented in this country. Such printed publication must *teach* the alleged invention. To the same effect is *Application of Borst* (Pet. p. 9) which did not involve a public use, but only printed publications. If the art is not enriched by the disclosures of such a prior publication, then the patentee is entitled to his monopoly for his teachings.

However, a prior use need not enrich the art to be effective as a statutory bar. This is the law of this Court and elsewhere. The reason for this rule is obvious.

The purpose of making a prior commercial use not in secret a statutory bar is to demand diligence of the patentee in bringing forward his invention. This reasonable time prior to 1939 was two years. Since that time the inventor has been given one year. 35 U.S.C. §102 (b).

The only issue to be decided—was the invention in public use more than one year prior to the filing of the application for patent? The law is not concerned with how much the art is enriched by the practice of the invention.

In *Hall* v. *MacNeale*, 107 U.S. 90 (1883) the patented feature consisted in the use of certain bolts on the inner lining of an iron safe. In answer to the contention that the use was not public because it was hidden and could not have enriched the art, this Court held that the use was "public" and stated at p. 97:

> "* * * The invention was complete in those safes. It was capable of producing the results sought to be accomplished, though not as thoroughly as with the use of welded steel and iron plates. The construction and arrangement and purpose and mode of operation, and use of bolts in the safe were necessarily known to the workmen who put them in. They were, it is true, hidden from view, after the safes were completed, and it required a destruction of the safe to bring them into view. But this was no concealment of them or use of them in secret. They had no more concealment than was inseparable from any legitimate use of them."

This interpretation of the law has been followed in numerous cases, and there are none to the contrary—*A. Schrader's Sons, Inc.* v. *Wein Sales Corp.*, 9 F.2d 306, 308 (2nd Cir. 1925). In *Grasselli Chemical Co.* v. *National*

Aniline and Chem. Co., 26 F2d 305 (2nd Cir. 1928). Judge Learned Hand in discussing the contention that the use was not public because it did not enrich the art, held at page 309:

> "In Egbert v. Lippman, 104 U.S. 333, 26 L. Ed. 755 and Hall v. MacNeale, 107 U.S. 90, 2 S. Ct. 73, 27 L. Ed. 367, it was held that a use is public though the invention cannot be learned unless the embodiment of it is destroyed. If the accelerator could have been discovered by dissolving the product into its constituents, these cases would directly apply. However, this was not the case before 1914 and there was no way of learning from the product either its composition or the process by which it had been made . . . *It is quite true that the art is not enriched by such a use*, but then it is not enriched even if the invention can be learned by destroying the embodiment . . . It might have been proper theoretically to exclude such uses, but we think that the statute has cut the knot. Once the invention has been embodied in goods which are put in public use it becomes impossible for a later inventor to secure a patent." (Emphasis added)

The petition also cites a quotation from *Metallizing Engineering Co.* v. *Kenyon Bearing & A.P. Co.*, 153 F2d 516, 519 (2nd Cir. 1946) on page 9 as authority for the proposition that a use must enrich the art to be public. The quotation is ambiguous only if the reader does not know the holding of *Gillman* v. *Stern*, 114 F.2d 28 (2nd Cir. 1940), which is referred to in the quotation in the *Metallizing* case (*supra*).

In the *Gillman* case the Court was required to decide whether or not a *secret* use by a person other than the inventor was a public use which would invalidate a patent

under 35 U.S.C. 102 (b). The Court held that a *secret* use was not a public use and therefore had no invalidating effect under the statute. The *Gillman* case did not hold that a use to be public must enrich the art. Indeed, the Court held at page 31:

> "We are to distinguish between a public user which does not inform the art (Hall v. MacNeale, 107 U.S. 90, 97, 2 S. Ct. 73, 27 L.Ed. 367) and a secret user; some confusion has resulted from the failure to do so. It is true that in each case the fund of common knowledge is not enriched, and that might indeed have been good reason originally for throwing out each as anticipations. But when the statute made any 'public use' fatal to a patent, and when thereafter the court held that it was equally fatal, whether or not the patentee had consented to it, there was no escape from holding—contrary to the underlying theory of the law—that it was irrelevant whether the use informed the public so that they could profit by it. Nevertheless, it was still true that secret uses were not public uses, whether or not public uses might on occasion have no public value. Perhaps it was originally open to argument that the statutes merely meant to confine prior 'public uses' to the prospective patentee and to be evidence of abandonment, and that 'first inventor' meant to include anyone who first conceived the thing in tangible enough form to be persuasive. But rightly or wrongly, the law did not develop so, and it is now too late to change. Hence the anomaly that, by secreting a machine one may keep it from becoming an anticipation, even though its public use would really have told nobody anything about it."

Thus a use conducted in secrecy does not operate to invalidate a patent under 35 U.S.C. 102 (b). However, a public use which does not teach the public anything can and *does* invalidate the patent under the statute.

4. No Conflict With *Simmons* v. *Hansen*

Simmons v. *Hansen*, 117 F.2d 49, 51 (8th Cir. 1941) is the remaining case cited by the petition to support an alleged conflict. There is no conflict. The *Simmons* case merely holds that the use there considered was known to the public or opportunity was available to know about it with such definiteness as to forego the need of experimentation. This is good law and is not inconsistent with what was held in the case at bar.

From a consideration of the cases relied upon in the petition and the matters determined in the case at bar, there is absolutely no conflict between the decisions of the Courts in the case at bar and the decisions of any other circuit. For the foregoing reasons the Court should not grant Chemithon's Petition for a Writ of Certiorari.

Indeed, in reality, the fact findings below establish that P & G's prior use *did* disclose the accused process to the public.

B

Question 2 Has Been Well Settled; Reason 3 Has No Validity

The Trial Court below made findings of fact and concluded that the invention claimed in the '258 patent was not disclosed in an earlier filed and later abandoned parent application (Op., A28-29). Therefore, Chemithon was not entitled to rely on the earlier filing date to save the validity of some of its claims* in face of P&G's public use.

* Only claims 5, 9-17 and 19-21 of the '258 patent are involved on this point. P&G's prior public uses of the process defined in the other claims of the '258 patent, and all the claims of the '920 patent, were publicly used in the 1940's and in 1950—well more than a year prior to the 1956 filing date of Chemithon's first patent application (Op., A. 13-14).

The petition now asserts that the Fourth Circuit erred in affirming such decision and that there is a conflict with decisions of the Court of Customs and Patent Appeals. Such assertion is based on a mixing of unrelated matters.

The decision on this point below was concerned with the patent application disclosure requirements of Sections 112 and 120 of 35 U.S.C.* The provisions of these two sections of the patent laws make it clear that a patentee's right to rely upon an earlier filing date than that of the application which matured into a patent, in order to overcome the date of an invalidating prior use under 35 U.S.C. 102(b), depends solely upon whether the claims of the issued patent are supported by the disclosure of the earlier filed application. The law on this subject has been well settled at least since this Court's decision in *Muncie Gear Works* v. *Outboard Marine Mfg. Co.*, 315 U.S. 759, 768 (1942).

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* Pertinent parts of 35 U.S.C. 112 and 120 are:

"The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention." (35 U.S.C. 112)

"An application for patent for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in an application previously filed in the United States by the same inventor shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application." (35 U.S.C. 120)

The so-called conflict decisions of the Court of Customs and Patent Appeals, asserted by Chemithon, are concerned with other matters, such as Rule 131 affidavits in Patent Office prosecution practice or foreign priority dates under different statutes, i.e. 35 U.S.C. 119.

The matter of adequacy of an earlier filed parent application under 35 U.S.C. 120, to overcome the statutory bar of a one-year prior public use under 35 U.S.C. 102, was excluded from the Rule 131 and 35 U.S.C. 119 cases relied upon by Chemithon: *Application of Ziegler*, 347 F.2d 642 (CCPA 1965) and *Application of Clark*, 356 F.2d 987 (CCPA 1966). The Court of Customs and Patent Appeals itself makes the distinction and disposes of Chemithon's contention of a "conflict" in footnote 5 to *In re Ruscetta*, 255 F.2d 687 (CCPA 1958).

C

Question 3 Is Not Raised by the Record

This question is stated so vaguely in the petition as to be meaningless. Nor do the footnotes appearing on pages 2 and 10 of the petition clarify the matter.

At best, this question appears to deal with a Chemithon complaint that the Courts below relied on semantics involving two "interchangeable names" in finding that Chemithon's earlier filed parent application did not support the claims of its issued 258 patent. Actually, the record shows the district court based its determination not upon semantics but upon the testimony presented (Op., A19, A26) and the documents submitted during the trial (Op., A28-A29).

The Trial Court found that the disclosure of the parent application was "antithetical" to and "negates" the "heart of the invention" claimed in the 258 patent (Op., A26-8).

Conclusion

The petition should be denied because no questions are presented of public interest.

There is no conflict in the decisions of this Court with the decisions of the courts below. There is no conflict between the decisions of the courts below and the decisions of any other United States Court of Appeals. No question of federal law has been decided by the decisions below which should be decided and settled by this Court.

The decisions below merely applied well settled principles of law to findings of fact amply supported by the evidence. Further, review would be of interest only to the litigants. There is no merit in the petition and it should be denied.

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September 30, 1970